

wrong side of the line. You can guess what happened then — all the principal businesses in Geelong appeared saying they were going to close down next week unless they got the concession as well!

State Parliament quickly had to make the concession, and this, of course, is regrettable because Geelong is only 44 miles from Melbourne and further industrial development in Geelong will eventually result in just a further extension of an already over-large metropolitan area.

The concession ought to apply only to employers at a very substantial distance from the metropolitan centre.

It was said this morning that people have a right to live where they choose. They do, but I wish I could add to that — but I cannot — that they have a right to expect someone to provide employment for them when they go to live where they choose.

SPEAKERS AT THE CONVENTION

- **MOST REV. BERNARD D. STEWART**, D.D., B.A., LL.B., Bishop of Sandhurst.
- **REV. FATHER BERNARD CONNELL**, National Chaplain, National Catholic Rural Movement.
- **REV. FATHER FRANCIS OWENS**: Sandhurst Diocesan Chaplain N.C.R.M.
- **DR. GRAHAME FALLON**: Master of Veterinary Science, Associate Fellow of the Australian Institute of Management, lecturer in Cattle Husbandry and Agricultural Ecology, Queensland Agricultural College.
- **REV. FATHER W. MORIARTY**: Vice-chairman Melbourne Diocesan Commission on Migration, representative of Migrant Chaplains on the Senate of Priests, Advocate on Tribunal for Marriages.
- **MR. EUGENE CURTIS**: Chairman, Murray-Goulburn since 1967, and a director of that co-operative for 16 of its 22 years.
- **MRS. MARGARET GARTLAND**: Secretary Parents and Friends Federation of Victoria, previously a foundation member Parents and Friends Association of W.A.
- **MR. COLIN J. MCINTYRE**: Former secretary Portland Development Committee, estate agent and Commonwealth Employment agent.
- **MR. F. G. JAMES, O.B.E.**: Managing Director, Cleckheaton and leading woolgrower and sheep-breeder. Acquired the famous Falkiner properties in N.S.W. and Queensland in 1971.
- **MISS ANGELA M. RIDSDALE**: B.A.(Hons.), T.P.T.C., T.S.p.T.C., F.A.C.E., Senior Lecturer in Education at State College of Victoria, member of Ecumenical Affairs Commission, treasurer Victorian Chapter Australia College of Education
- **DR. COLIN CLARK**: M.A., D.Litt. (Oxford), M.A. (Cambridge), D.Sc. (Milan), D.Econ. (Tilburg), Director Institute of Economic Progress.
- **MR. B. A. SANTAMARIA**: M.A., LL.B., secretary National Catholic Rural Movement, 1939-60, president Catholic Social Movement, 1943-57, president National Civic Council since 1957.

CORRECTION August issue, 1974, Page 16 2nd last line "this life" should read "HIS LIFE."

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Part 2

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THE STRUGGLE FOR JUSTICE IN EDUCATION
— Mrs. Margaret Gartland

PORTLAND — A CASE HISTORY
— Mr. Colin McIntyre

GOD AND AUTHORITY
— Rev. Fr. F. Owens

DECENTRALISATION IN PRACTICE
— Mr. F. James

THE CASE FOR DECENTRALISED CITIES
— Dr. Colin Clark

Centralism, Bureaucracy — and Poverty

Mr. B. A. SANTAMARIA

For reasons of curiosity, when I came to prepare this talk I went back to the early issues of "Rural Life" to see what I said at the first N.C.R.M. Convention nearly thirty-five years ago, in 1939.

I find that that first talk to the N.C.R.M. emphasised five major principles:

1. The family farm, not the corporation farm, as the characteristic unit of agricultural production.
2. Diversification, rather than monoculture or "one-crop farming", to preserve the fertility of the soil.
3. Co-operatives as the preferred method of business and financial organisation.
4. Agricultural and technical education, to fit the young men for the complexity of running a farm property in the twentieth century.
5. Decentralism, as the guiding philosophy of State and community.

As I remember it, those principles excited general ridicule from academics and journalists. Even many of the "practical men" in their more charitable moments simply said that the Rural Movement as a whole did not know what it was talking about.

Considered as ideas, diversification, co-operatives, decentralism now command much more support than they did then. Ideas are one thing, practice another. In terms of practice, the world in which we live has moved more decisively against most of these principles.

The predominant aspect of that world has not been decentralisation of cities, of business of government: it has been concentration of power and control. The family farm continues to exist, but the number of rural properties — proportionately — has greatly declined; for, although the population of Australia has doubled, the number of rural holdings has fallen from 253,000 to 249,000. This may measure great increases in the productivity of the agricultural work force but, as we pointed out then — unavailingly — increases in productivity and Gross National Product, while important, are not necessarily the ultimate criterion.

Are we then to conclude that our principles were wrong, and the direction of the society in which we live right? I conclude exactly the opposite.

I have seen with my own eyes the great shanty towns, now holding millions of helpless peasants in Asia. They are the norm in Africa and Latin America. We have all seen the great steel and concrete monsters which Australia is building as its cities on the model of the United States, from which so many young people recoil in horror.

I know that we were right then, and are right now; even though to date, in a world in which every institution, including the family, seems in dissolution, we have lacked the strength to make them effective. The direction of our society — and indeed of the whole of Western society — is wrong, and, unless corrected, it is headed for disaster.

The centralist philosophy

Perhaps there is no field in which the march of the modern society has been more notably opposed to our principles than the growth of the power of government over the lives of its citizens. "Big" government has accompanied "big" business and "big" unionism.

In Australia the form which it has taken has been the concentration and centralisation of government power in the Commonwealth, at the expense of the States and municipalities; and the weakening of the institution of

the family, the smallest and most vital decentralist institution of all, as 40 per cent of married women have been drawn into the workforce.

May I advert to the progressive dissolution of the family. It is a fact central to my theme, even if it does not so appear. Yet I can deal only with one aspect in passing — the activities of the Attorney-General (Senator Murphy) in re-shaping Australian law in relation to the family. He has done this pre-eminently in two pieces of legislation. His Human Rights Bill, although theoretically presented in order to give legislative form to the International Covenant on Civil and Political Rights, did not include Article 23(1) of that Covenant, which states: "The family is the natural and fundamental group unit of society and is entitled to protection by society and the State."

Yet, I regard the absence of that pious principle from the Bill of Human Rights as much less important than S.26 of his Family Law Bill. This provides that either a husband or a wife can simply exclude the other from the marriage contract without his or her consent, after 12 months' separation.

This transforms the legal concept of the marriage contract from that of a more or less permanent institution — a concept already eroded under existing law — to a temporary contract to live together, "breakable" by either party on 12 months' notice.

The basic economic cause of the weakening of the family is the deliberate attraction of mothers into the work force. S.26 of the Family Law Bill provides the legal framework to facilitate this process of dissolution.

As far as law and economics can achieve it, these two factors will destroy the family; and that is even more fundamental than local or State governments in protecting the individual from concentrated power.

Commonwealth and State relationships

In dealing with relationships between Commonwealth, State and Local government, perhaps I can take as a point of reference, Mr. Whitlam's statement to a meeting of Government administrators. I do this not to make a political point against Mr. Whitlam and in favour of the Opposition on the eve of an election. In fact, whatever the major parties may say on the issue of centralism, what they have in fact done, to date at least, is very largely the same. I quote Mr. Whitlam because he has given the most explicit expression to the centralist philosophy, and because he has not tried to deceive anyone in putting it into practice. Mr. Whitlam said:

"The outstanding need for change, restructuring and expansion of the Public Service arises from our particular view of the role of the national government. We accept that the national government has responsibility for a whole range of matters which under previous governments were deemed either to be the responsibility of the State Governments or the responsibility of no government at all."

What is the theoretical justification, the expressed social philosophy of the present Federal Government in this matter? I believe that it can be put in three propositions:

- (1) The main stated aim is to carry through a dual program of social reform. On the one hand, this program will redistribute income between rich and poor. On the other, it will usher in great programs in social innovation in the field of education, national health and welfare, urban renewal and so on.
- (2) To achieve this dual objective, it is necessary to build up a powerful Federal bureaucracy as the indispensable machinery.
- (3) If this Federal bureaucracy is to be legal over the whole field of social reform, constitutional power has to be centralised in the Commonwealth, as against the States and municipalities. These are to abandon whatever independent authority they retain, and to become agencies through which the Federal Government works.

This will be attempted by a series of referenda. If these fail — and the December referendum did fail — centralisation of power in the Com-

monwealth can be achieved by using the great financial resources enjoyed by the Commonwealth through the greatly increased tax returns, which derive from uniform income tax in a period of seemingly uncontrollable inflation. My answer may be defined in four propositions:

- (i) There is an American precedent for this approach to social problems. It lies in President Johnson's "Great Society" legislation of the mid-sixties. Since we have this precedent, we are entitled to examine its results as an indication of what similar measures are likely to accomplish in Australia.
- (ii) If it is repeated here — and American precedents always are — the major redistribution of income will not be from the rich to the poor. In the main, the beneficiaries will be the middle class — a large proportion of which are public servants, academics, teachers and social welfare professionals. Their salaries will increase even more than the general inflationary rise in salaries throughout the community. The poor, through high indirect taxes, will be contributing very substantially to the salaries of the new middle class.
- (iii) Excessive bureaucracy will lead to excessive taxation. Excessive taxation will lead to uncontrolled inflation, which will again hit the poor and the economically weak.
- (iv) The only real road to a solution is to build up the legal and economic status of the family, and after the family, local and State governments as agencies of reform. The approach is the opposite to that of both major parties, whatever the rhetoric they use.

Cost of bureaucracy

What has happened to the proposal to build up the machinery for giving effect to the centralised principle — the Federal bureaucracy: in terms of its numbers, its costs, the effects of its salary levels on the inflation of salaries in private industry which is, of course, a major aspect of today's general inflation?

I emphasise the point that I am not concerned with the congenital disease of all bureaucracies — Parkinson's Law or empire-building. I am concerned with what the author of a very recent book on the Commonwealth Public Service, Bruce Juddery, says is something quite different:

"What you are seeing is the start of (Mr.) Whitlam's policy of centralism", not "so much a huge increase in the bureaucracy as a transfer of rights and responsibilities from the States."

In the first ten months of 1973, the Commonwealth created four new departments, and 157 new divisions and branches of the Commonwealth Public Service.

Outside the normal structures of Public Service departments, Mr. Whitlam listed last May no less than 46 "Commissions of Enquiry, Committees, Task Forces Reporting on Government, etc." The National Commission on Social Welfare and the Arts Council would be representative in different fields.

There is now a third layer as well — the army of private ministerial advisers, press secretaries, etc., who constitute a "third force" in Federal Government. A few of these, of course, existed before, but their multiplication makes the difference one of kind rather than of degree. In fact, several apologists for the present Government have argued that these personal advisers are necessary as a balance to the Public Service, so that Ministers would not be at the mercy of departmental advisers.

The cost of the newly-appointed public servants alone amounts to more than \$150m a year. Mr. Snedden estimated that this was enough to give every pensioner — invalid, widow and age — between \$2.3 a week extra. That estimate deals only with the cost of the newly-appointed.

If you add the old to the newly-appointed, the total membership of the Commonwealth Public Service is in the vicinity of 260,000. The cost of this establishment is over \$1,500m a year. Even without any further numerical

additions to the Public Service, the sum must rise by approximately 16 per cent in the coming year — that is, another \$250m. That is the normal expected average increases in the level of Public Service salaries.

Actual cost increases are expected to be much higher than that, since Mr. Whitlam has said that the numbers of Commonwealth Public Servants will grow by 5 per cent this year; and since it is doubtful, on the past record, whether the increase will be limited to 5 per cent.

The theoretical justification for the creation of this numerically powerful and highly-salaried Federal bureaucracy was that it was the necessary machinery to bring about a massive redistribution of income between rich and poor, and an equally massive program of social innovations, urban renewal, and the rest. Without this twofold objective the rapid growth of Federal bureaucracy has no justification at all.

Redistribution of wealth

What then of this stated justification?

To date, one can only say that the limited Australian experience is in exactly the same direction as the much fuller, much longer American experience.

For purposes of argument, I simply take the definition of "poverty" given by Professor Henderson. At August 1973 levels, he defined as "very poor", a couple with two children whose income is less than \$62.70 a week, and as "rather poor" such a couple with an income under \$75 a week.

A "massive redistribution" of income from the rich to the poor can, as far as I can see, be brought about in four ways. At this point I will mention the first three:

- (1) The taxes paid by the poor can be reduced, while their cash benefits (in wages or pensions) remain the same.
- (2) Alternatively, their cash benefits can be improved. You can do this by increasing the absolute size of the minimum wage compared with higher salaries. In the case of pensioners, you can improve their pensions absolutely by increasing the pension higher and faster than price rises.
- (3) You can do both: lower the taxes of the poor, increase their real income in wages and pensions.

The fourth, which because of limits of time, I do not have the opportunity of outlining tonight, consists of the massive social programs in the field of education, health, welfare, urban renewal which are also proposed for the poor as part of the whole community. Although I cannot discuss this fourth issue tonight, I have discussed it in the text of this talk given to the press; it validates my general thesis; and I would be prepared to discuss the matter at question time.

Well, what has happened? It is still early days; yet what has happened in these early days is simply a "re-run" of what happened in the U.S. under the Great Society legislation.

There has been a redistribution of income during the 17 months of office of this Government. But the transferred amounts have not gone to the poor.

The matter can be determined by looking at the relative positions of pensioners, of retired persons on superannuation, of family wage-earners on or close to the minimum wage.

For even if their capital was sufficiently liquid to be invested at 10 per cent gross — and for most this is quite impossible — they lose 4 per cent a year if inflation runs at 14 per cent. If it runs at 18 per cent, as is anticipated within the year, this group will suffer an even worse confiscation of capital, accumulated with great sacrifice to meet the contingencies of old age.

In 1970-71, there were more than 167,000 wage and salary earners in Australia earning less than \$5,000 a year. They might today be on the road to \$5,000. Their only hope of a family living wage is at the cost of excessive overtime, if they can get it, or of the wife working, at the cost of the welfare of the family.

The position of this group must become even worse this year, since the majority are in unions which are not strong enough to profit from the "fix-ups" we have witnessed since the beginning of the year:

- the \$30 p.w. extra recently conceded by B.H.P. to 30,000 ironworkers.
- \$15 to other metal workers.
- \$34 to Victorian building industry workers.
- \$22.50 to watersiders.
- \$25 to miners.

In his recent "Poverty Report", Professor Henderson states that increases in pensions and benefits have not kept ahead of inflation. Broadly, there have been no positive effects whatever on the condition of the poor. In his Interim Poverty Report, Professor Henderson says that 7.7 per cent were below the poverty line in Melbourne in 1966, 7.3 per cent in 1973, despite the welfare program and the massive growth in the bureaucracy to bring it about. (Some of the minor percentage change apparently took place even before the present Government went into office.) More significantly, his report does not envisage any change in this situation by simply continuing the program begun in the last year. The only way in which improvement can take place, he says, is by abandoning the proposal to abolish the Means Test, and by concentrating the available funds on the very poor.

This, Mr. Whitlam says, he will not do.

The thrifty, who retired in reliance on investment of their savings, have seen their capital eroded by inflation. They have not only been massive losers; as a class they are on the way to total impoverishment.

These all came as the result of consent agreements with employers, who pass these wage increases automatically into price increase.

The poor have not achieved better incomes. Have they benefited from reduced taxation?

There is — understandably and justifiably — much criticism of the taxation rate of middle incomes. What is not so often realised is the high level of taxation paid by the poor. The essential factor always forgotten in indirect tax — sales tax, customs, excise — the effect of these indirect taxes on individual costs like transport, that flow into the price of necessities paid for by the poor.

The present situation appears to be identical with that as far back as 1966-67 when, according to research by Prof. Drane and associates of Macquarie University, N.S.W., even the poorest section of the community was paying over 26 per cent of its household income in direct and indirect taxation. This, too, repeats the American experience where, except for a very small group at the very top and the very bottom of the income scale, almost every family pays 25 per cent of its household income in taxation.

It can be stated quite definitely that the one class which has not benefited by any redistribution of income under the present Government is the 20 per cent classed by Professor Henderson as "very poor" or "rather poor".

So much for the new "in" word — "compassion"!

Real redistribution of income

In most countries of the Western world, it seems to me that the real beneficiaries of the establishment of massive Federal bureaucracies, of this bureaucratic revolution, have been the outwardly-thrusting middle classes, to a large extent made up of bureaucrats themselves, not those whom bureaucracy was supposed to have benefited, which, after all, is not so surprising. Nor do I believe that it would necessarily have been any different under the Liberals, despite anything that Mr. Snedden has said; Mr. McMahon, as he faced electoral defeat in 1972, was beginning to yield to the same pressures.

One salient fact concerning the new Federal bureaucracy is its very high rates of pay, especially when compared with those commanded at similar levels in private industry.

A cost survey was made and published by the "Independent Sun" (W.A.) during October, 1973. It reported:

- "The permanent heads are paid \$31,000 a year, including a \$1,750 tax free allowance which compares well with similar-status salaries in private industry, although conditions outside the service are better.
- "The senior management consultants, Cullen Norton Pty. Ltd., surveyed 200 senior management positions in Australian companies late last year and found that the average salary for a chief executive of a company with a turnover of more than \$30 million a year was \$27,700.
- "There are a number of Government departments smaller than such a company. . . ." (Note that the departmental head nevertheless attracts an extra \$3,400 p.a.)
- "Cullen Morton figures show that in one category alone, engineers — Service rates are running up to 10 per cent above private industry average."

According to the "Sydney Morning Herald", 10.3.74:

"The market rate for clerks in private industry varies from \$90 a week for a filing clerk to \$110 a week for a production clerk or a senior accounts clerk.

"Comparable jobs in the Public Service would be handled by the 70 per cent of third-division clerks up to class four. Their adult weekly salaries range from \$95 to as much as \$145."

The advantage of the ordinary Public Service clerk over the clerk in private industry ranges from \$5 to \$35.

In two different fields, it is worth noting that the first immediate result of the massive infusion of money into the education field after the Karmel Report was an average 16 per cent rise in the salary of teachers.

One of the first results of what was advertised as "massive investment" in the field of social welfare was that, in Victoria, a new salary classification for welfare workers was established, the previous top salary of \$10,842 being increased to \$11,923, a rise of nearly 10 per cent.

As far back as 1916, the old great American trade union leader, Samuel Gompers, wrote a sentence which was unpopular then as now, yet true then as now:

"There is very close competition between employment as experts and enthusiasm for human welfare."

One very large cause is that despite all Mr. Cameron's talk about "fat cats" in the Public Service, the Federal Government itself not only stated that it would use the Public Service as a "pace-setter" for wages and conditions generally, but did so from the first two months of its administration. The other great beneficiaries of the "social revolution" have been members of monopoly unions in key industries dealing with monopoly groups of employers.

The costs of these agreements between Government departments, instrumentalities and public service unions then flows through to everyone — including the pensioners — in rapidly escalating postal charges, municipal rates, and so on.

The cost increases from private monopolies then flow through into price increases to the poorest, who are protected by no one.

What I am suggesting is that the whole process of centralisation, of the building up of a great and expensive bureaucracy Federally was originally justified in terms of redistributing income to the poor. The primary beneficiaries have been not the manual workers or the poor but the members of the public service unions, the other unions in more or less a monopoly position. Is it completely by accident that they are so numerous in the outer-metropolitan electorates where the 1972 election was won?

Bureaucracy and inflation

The harm done by the bureaucratic revolution is unfortunately not confined to the moral problem that it feeds the bureaucrats at the expense of the poor. It is that massive increases in the size of Government activity of

which bureaucracy is a consequence, is itself one of the major causes of inflation.

Inflation inflicts precisely upon the poor, the old, the sick and the distressed a burden against which no one can or will protect them. And I am convinced that inflation is more damaging to the stability of the institution of the family even than the excesses of the "permissive" revolution.

It would be possible to describe the reasons for this in greater detail, on another occasion. Here, let me confine myself to one quotation, and one self-evident fact. The London "Economist" pointed to the real issue on November 10, 1973. (As Britain is discovering, it can sometimes be too late to discover the real issue.)

"The level of public spending and taxation determines the economy's inflation-proneness. Monkeying around with the two mainly determines how much is exposed or concealed."

The self-evident fact for Australia is that the present Government's whole program of new expenditure this year is, in fact, based upon the assumption that total incomes, this year, will rise by 13 per cent, so that the Government tax "take" will rise by over \$1,000m this year, and next year by something like \$1,500m.

If inflation were to be miraculously eliminated tomorrow, the Government would have no method of paying for its social services program except by printing banknotes.

In other words, it cannot possibly pay for its highly-advertised initiatives, unless it quite deliberately trades on inflation, instead of fighting inflation.

There is no way gradually to reduce and finally to defeat inflation than a program which includes substantial reductions in Government expenditure.

I have spent an indecent amount of time in trying to analyse some of the costs which modern society imposes on us all, simply because it seeks the solution of major problems by the false road of centralisation instead of the true road of decentralisation.

It is an old lesson apparently never learned.

The attempt to rescue the community by organising the State around an all-powerful bureaucracy was attempted at the beginning of fourth century of the Christian era by the Emperors Diocletian and Constantine. What happened is recounted in the most authoritative of all the histories of the Roman Empire by the Russian historian Rostovtzeff. I quote from pp. 512-3 of his first volume:

"From the time of Diocletian and Constantine the aim of the central government was to build up a well-organised bureaucratic machinery which, under central direction, would be equal to the task of managing all the affairs of an immensed State. Compared with the delicate and complicated system of the early Empire, stress was laid on the self-government of the cities; while the bureaucracy was a subsidiary organ and an organ of control, the system of the late Empire, despite its apparent complexity, was much simpler, much more primitive, and infinitely more brutal.

"Being supreme and omnipotent, and not subject to any control exercised in one way or another by those who were the life-blood of the State, the bureaucracy gradually became utterly corrupt and dishonest and at the same time comparatively inefficient in spite of the high professional training of its members.

"Bribes and illicit gains were the order of the day, and it was idle to seek to put an end to them by a vast system of espionage and of mutual control exercised by officials over each other.

"Every addition to the army of officials, every addition to the host of supervisors, served to increase the number of those who lived on bribery and corruption . . .

"Corruption and inefficiency is the fate of all bureaucracies which are not checked by wide powers of self-government, whether they are created in the name of autocracy or communism."

We have not progressed very much from the time of Diocletian, who was the first ruler in recorded Western history to propose a compulsory freeze on prices and incomes. He failed as completely and for the same reasons as did Mr. Heath nearly 1600 years later.

The future of Australia seems to me to depend on the implementation of eight principles which will not be accepted today, but which are the policy for the nation once adversity has driven it to its senses:

1. National independence, based on self-reliance in defence.
2. The closest association with the United States, Britain and Europe.
3. No risks with the Communist powers, or with their Australian agents, the Communist unions.
4. A realistic fight against inflation.
5. The rights of States and Municipalities against the Commonwealth.
6. A high status for agriculture, measured in terms of financial returns and electoral influence.
7. The integrity of the family.
8. Social services for the poor, before grandiose schemes for everybody.

THE STRUGGLE FOR JUSTICE IN EDUCATION

Mrs. MARGARET GARTLAND

Today I would like to start an epidemic in Bendigo — an epidemic that would spread to the rest of Australia: what Archbishop Polding last century called "the salutary epidemic of wholesale alarm".

The Bishops of those days had the gift of the telling phrase, and we also hear the claim of the Bishop of New South Wales of that time, Archbishop Goold: "There is an elasticity in the Catholic body that knows how to respond to a great call in a cause of vital religious interest."

Perhaps the response to the great call to safeguard parental rights in education and to ensure justice and equity for all Australian children will gather strength today here in Bendigo. I hope so.

No-one likes to be a prophet of gloom, but the future is very dark indeed for the non-government school, especially the Catholic school. Escalating costs, falling vocations to the religious life, a declining proportion of children able to attend non-government schools all tell a sorry story.

(Mrs. Gartland here showed slides of graphs illustrating the widening gap between Government expenditure per pupil in Government and non-government primary and secondary schools. These showed that in primary schools in 1965-66, expenditure per pupil in non-government schools was \$12, and in government schools, \$232 — a gap of \$220. Comparative figures for 1973-74 are \$170 and \$639 — a gap of \$469.

The graph for government expenditure per secondary school pupil revealed a gap of \$367 (\$20 as against \$387) in 1965-66; in 1973-74, the gap has widened to \$793 (\$301 as against \$1094).

A third graph illustrated the declining proportion of school children attending Catholic schools — from 21.3 per cent in 1964-5 to 18.7 per cent in 1973-4. In non-government schools other than Catholic, the percentage has remained static at 5.5 per cent.)

Continuing, Mrs. Gartland said: But I am now what is called a "Hopeful". I am certain that the situation can be reversed, and with the active support of all who value justice, the non-government school will take its rightful place in the community.

Perhaps the first step is that we all **know** our rights in the matter of educating our children.

Natural law clearly recognises that parents have primary rights over the education of their children. Man is born before he becomes a citizen; he belongs first of all to the family, and in general the rights of the State only take precedence over the rights of the parents when they fail to live up to their responsibilities. The State should not usurp the rights of parents when they are able and willing to nourish and nurture the child and develop and protect his physical, intellectual and moral welfare.

If we see the State as protecting and promoting the rights of the individual, surely it should ensure that its role in education is only complementary, enabling the parent to give his child an education that will reflect and strengthen the religious and moral values the parents consider absolutely vital to their children's welfare.

Philosopher Max Charlesworth in a talk at Ballarat in 1963 said: "... on pluralist principles, the State cannot properly make religious or value options. Therefore, the State cannot properly act as an agency in education ..."

The United Nations in its Universal Declaration of Human Rights, adopted by the General Assembly in 1948 and assented to by Australia, states in Article 26 (3) — "Parents have the prior right to choose the kind of education that shall be given to their children."

Principle 7 of the U.N. Declaration of the Rights of the Child, adopted in 1959, says: "The best interests of the child shall be the guiding principle of those responsible for his education and guidance; that responsibility lies in the first place with the parents."

Two further covenants in the United Nations, one on the Economic, Social and Cultural Rights, the other on Civil and Political Rights, adopted by the U.N. in 1966, and assented to by the Australian Government late last year, both refer to the liberty of parents to ensure "the religious and moral education of their children in conformity with their own convictions".

Significant omission

However, in the Human Rights Bill, introduced into the Senate by the Attorney-General, Senator Murphy, in October, which is supposed to implement the last-named covenant, all reference to this liberty of parents was omitted.

In the Australian Schools Commission Act 1973, the Government accepted the Opposition amendment that the Commission have regard "to the prior right of parents to choose whether their children are educated at government or non-government school".

It would rather seem that here in Australia we have taken two steps forward and one back — "a bob each way". But, for the first time, Australian legislation has included the prior right of parents; but just how much this will be honoured in practice will depend on us.

It has often been said that Catholics want this right for themselves, but do not care overmuch about the rights of parents of other religions. This is simply not true.

When we look at the Vatican II Declaration on Christian Education, we see: "Parents, who have the first and inalienable duty and right to educate their children, should enjoy true freedom in their choice of schools."

Our own Australian Bishops on May 30, 1973, stated: "The Central Commission regards it as imperative that in both primary and secondary sectors, per capita payments should be equal for all children at similar levels of education, irrespective of the school they attend, and the financial position of their parents."

So now you know that the natural law regarding parents' rights is amply supported by declarations, both sacred and secular. And now that you know, I would like to quote to you what Pope John declares should be your next step.

In his encyclical *Pacem in Terris*, he declares: "For if a man becomes conscious of his rights, he **MUST** become equally aware of his duties.

"Thus, he who possesses certain rights has likewise the **DUTY** to claim these rights, as marks of his dignity . . ."

So, onwards, fellow citizens.

If the rights are so amply set out in U.N. documents to which Australia has assented, it can be asked why the difficulty in getting governments to recognise these rights so that they be exercised by all, rich and poor.

I suppose that one could say that what really lies at the heart of the battle for justice and equity is that men differ as to the values and aims of education.

On the one hand, we have those who are firmly convinced that education should be totally secular, where God is banished from the classroom. On the other, we have those who feel that any education to be genuine, must include religious formation, and this not on the fringes but central to the whole exercise, and there would be a good number in between who have no strong convictions.

So the question arises: Who decides?

If the answer is, the majority, the further question is: If, as sometimes happens, the majority becomes the minority, should it then be their turn to have their rights trampled on?

Many Australians have come to accept that the secular State is the right and proper agent to educate their children — to form their values and their attitude to life. They have chosen accordingly and that is their right.

Extraordinary arrogance

But what I say is alarming is that some people — and I would say, only a minority of those who have deliberately chosen State schools — then show an extraordinary arrogance in trying to force their way of thinking on other parents. They see as the most effective way to attain this end, the denial of public funds to parents who think differently.

And it must be admitted that their efforts towards achieving this end seem very effective at the present time. They are dedicated to the humanist socialist view of education, and we cannot do much to change them.

For the rest, a curious mentality regarding education has developed — the dominant view in Australia is that to choose a school other than a State school is a privilege, not a right. If one cannot afford to exercise this privilege, well one must accept the education the State offers.

The attitude of many to those who do choose a non-State school is "opt out, pay up and shut up". These are not really antagonistic — they just do not question the prevailing view.

These are the people who will listen to an honest and well-put case. And it is up to us to know and be able to put this case. It is no good castigating politicians for not giving children their rightful share of education funds if we cannot assure these politicians that they have grass roots support for action.

It is rather ironic that this view of "privilege not right" is shared by some Catholics, all the more so because George Higinbotham, generally recognised as the father of the free, secular and compulsory education system, said:

"In a community . . . where differences of opinion, of the highest nature, both in religion and morals, all stand on an equal footing in the eyes of the State . . . it is wholly beyond the power of the State to educate all children in the proper sense of the word 'education'. I believe the most the State can do and, therefore, all the State ought to attempt to do is 'instruct' the children."

The circumstances existing 100 years ago may have made Government intervention necessary, but one can well ask why Higinbotham, holding those views, should have made the State the sole agent of education.

He did not have it all his own way. A lively liberal of those days, Mr. Fellows, said in the debate on the 1872 Bill:

If the education of all children to a certain point is to be paid for by the State, I can understand the proposition; but I want to know why it should NOT be admitted, also, that a person who brings into the market an article in the shape of education equal to that procurable in any Government school . . . ought also to be paid for it?

"I want to know why, in point of fact, we should establish government schools at all, except in outlying districts, where the population is sparse and small? Why in thickly populated districts there should be Government schools at all I cannot understand. If the State pays for schools, it gives a certain amount of money to be divided among those who are to be educated, according to their number. The amount is, in effect, divisible by the number taught.

"Why, then, if a certain sum is appropriated to each child for the purpose of his education, should the Government not let the quota of money be spent wherever the person or persons concerned please."

I have quoted Mr. Fellows at some length because his words are still so apposite today.

Monopoly in education

In our society today, the Australian demands variety — or diversity — in almost every aspect of living, yet seems content to see a monopoly developing in perhaps the greatest of human endeavours — the education of our children.

In Australia today nearly 80 per cent of Australian children are in Government schools. How many are there because their parents want a secular education for their children? A good proportion, no doubt, but there can be no possible way of telling until parents are enabled to exercise freely their right of choice.

The financial penalty imposed on choice is so high that the poor, the widowed, the under-privileged, are immediately excluded from any choice.

Conscription is an ugly word, but I would go so far as to say that children in Australia are today "economic conscripts" into State schools against their parents' wishes and deepest convictions as to what is best for them.

Conscripts. Too strong a word? Judge for yourself.

Education is compulsory. All citizens are compelled to contribute to public funds, either directly or indirectly. Having made education compulsory, the Government has decreed it be paid for out of public funds contributed to by all citizens.

So far so good. But then comes the crunch. Only those who send their children to the State schools get free education. Those who do not, for various reasons either conscientious or otherwise, must still pay their share of the cost of State education and then meet the expense of educating their own children. And I might say that the assistance granted by the governments in the last decade do not significantly alter the position.

In this financial year, there is discrimination against children in non-government schools to the extent of \$460 in primary and \$790 in secondary. Is it any wonder that more and more people are being forced to send their children into the State system?

Economic pressure is just as coercive as any other force. However, it has the advantage of respectability — right can be made to seem only a privilege — and it is more insidious than any physical pressure. So people come to accept the position that politicians prescribe the kind of education given to their children.

Even Catholics, who are convinced that their obligation to give their children a religious education is best carried out in a Catholic school, have

submitted to this prevailing injustice to the extent that very soon only 50 per cent of Catholic children will be in Catholic schools.

One is amazed at the docility of Catholics in this matter, and cannot help wondering just how many of our leaders in the academic, cultural, professional, business and political world owe their positions to some little dedicated nun or brother who was able to recognise the spark of greatness and bring it to life — just how many have laboured to remedy the injustice to parents and children.

I rather think — not many.

At this point I should like to stress that Catholics should not get, or even ask for, preferential treatment. One cannot work long in the field of justice in education without being convinced that freedom of choice is the right of all, whether they be Protestant, Jew, Catholic, atheist.

I am speaking to a predominantly Catholic audience. I came into the struggle for justice because I was concerned with a Catholic school — a very poor Catholic school — and was appalled by the complete neglect of the children's educational welfare by politicians, councillors or men in public affairs generally.

Sure, standards of behaviour and schooling were expected of the children: they would be expected to pay taxes as soon as they earned money and, of course, if Australia wanted them to give their lives in its defence — well, Australia could rely on them. And sad to say, that last came true in many cases.

But as children — without votes — governments took no responsibility for their education. As a bitter parent once said — there are only three classes of Australian denied a share of public money — criminals, lunatics and children in non-State schools. I have not confirmed the accuracy of his statement, but his feeling and meaning were quite plain. Such bitterness is bad for any community.

However, with any study of education in Australia, you begin to realise just how lucky Catholics were. At least we had our schools; we had wonderfully dedicated teachers — and the parish priest to draw us into line. Sure, we had to make sacrifices, but at least we had schools in which our children were taught to love God and be citizens of this world. The schools had shortcomings, but they can be remedied.

We had schools. Other religions could not cope.

The educational achievements of Australian Catholics over the past hundred years will one day be given their rightful place among the most stupendous feats in Australian history.

A community, generally accepted as being low income level, while paying the same taxation as other citizens, built and maintained a complete system providing an almost free education for its own Catholic children and also many children of other faiths. It showed conclusively that it was able to provide a choice in education for the poor.

In danger of collapse

The whole exercise, built up by so much dedication and sacrifice on the part of pastors, parents and teachers, is now in danger of collapse. Now it embraces only half of the Catholic children.

Is the present-day Catholic so lacking in spirit, so apathetic, that he will permit this to happen without exploring every avenue as a citizen in a democracy to enable the schools not only to survive, but to regain their rightful place in the education of Catholic children; while at the same time promoting the rights of all parents and children irrespective of religion, in the words of Vatican II — "to enjoy true freedom in their choice of schools"?

It has been claimed that the Australian Schools Commission, established by the Whitlam Government, means a new deal in education.

It is unfortunate that any criticism of the Karmel Report, which set the guidelines for the Commission, is labelled "ill-informed", "biased", etc. It rather inhibits me. However, I would like to give my opinions and you can judge for yourselves.

First, and most importantly, the Terms of Reference given to the Committee specified "needs of schools". This was a distinct departure from Mr. Whitlam's policy speech, in which he said the Commission would enquire into "the needs of students".

The Karmel Committee stated in paragraph 6.38 "attention has been paid to the use of recurrent resources within schools and not the plight of the parents . . ."

In paragraph 5.14 it is put more clearly: "Nor has the fiscal capacity of parents to contribute to the education of their children been taken into account, for this would involve a detailed knowledge of parental income and the introduction of means-tested fees into the public sector."

So, while the Karmel Committee left virtually untouched the discrimination against children in non-government schools, it kept intact access to free education in government schools, no matter how wealthy the parents.

This "government schools first" approach is also implicit in the statement of the Committee that, though it is conscious of the demand within the community for funds to enable the development of new and expanded non-government schools, its recommendation limits expansion to the 1972 proportion of enrolments, because, in its own words: "There is a point beyond which it is not possible to consider policies relating to the private sector without taking into account their possible effects on the public sector whose strength and representativeness should not be diluted." (2.13)

For people interested in country schools, there may be interest in the fact that grants for recurrent costs for Catholic parish schools are to be measured in the same way as the State school system, **except** that "no adjustment has been made for school size, on the grounds that unlike government systems which have a legal obligation to provide places for pupils across a State, irrespective of economic considerations, non-government schools are not obliged to operate with uneconomic enrolments".

This seems an unfavourable weighting against parish schools as distinct from State schools.

A second point of concern is that a condition of receiving aid is that aid will be in addition to "continuing efforts" by State and non-government school authorities. But there is a world of difference in the interpretation of these "continuing efforts".

"Continuing effort"

For the "continuing effort" for State schools is that State governments maintain the same percentage of State funding for education. In the Committee's view, these "continuing efforts" alone would result in a definite improvement in State school standards.

When we come to consider what is "continuing effort" on the part of non-government school authorities, it is a very different story. We find that they are the efforts which have kept the schools going for decades without any significant public funds.

They consist of fees collected, funds raised by parents and friends, income from investments and, to me, what is an iniquitous demand, by services contributed by teachers who are willing to work for stipends that are below market rates of pay.

The Committee would have been more honest if they called these not "continuing efforts", but "increasing efforts", because they state that the grants are to raise standards and that the "continuing efforts" are to increase as incomes rise.

Education costs are rising faster than incomes and, of course, as incomes rise, teachers' incomes will rise, so let there be no mistake about it — it will be a continuing battle to make ends meet.

If these efforts on the part of all concerned with non-government schools do not keep pace, and the Committee admit in paragraph 6.55 that this could well be so, we could expect either high fees (and thus the exclusion of a further slice of lower income parents) or else face the loss of independence.

What could be considered the most damaging blow to the non-government school sector is the elimination of the per pupil grants on the percentage formula. As costs of education rose, the non-government school was assured that the grant would rise, too. Though the Karmel Committee admitted, "... cost escalation has reduced the real resources available to schools for a given amount of expenditure . . ." (4.30), it allocated the recurrent grants in fixed amounts for 1974 and 1975.

It is of interest that the recurrent grant under the previous Government's legislation would have amounted in 1974 to \$76 in primary and \$128 in secondary. The Karmel allocations range from \$55 to \$110 in primary and \$85 to \$140 in secondary. So the only secondary schools to receive additional funds in 1974 will be the two lowest categories — schools G and H. Pupils in category G schools will receive \$2 more, and in category H \$12 more.

The grants certainly rise in 1975, but this must be considered alongside the statement of Dr. McKinnon, chairman of the Schools Commission, only seven months after the release of the report: "At a guess I would say the overall impact of commission programmes would be as much as 20 per cent less than envisaged when the totals were listed in our report. Some provision for inflation was built in but not nearly enough."

If the non-government schools are to have stability and the ability to plan, Governments must be persuaded to re-introduce per pupil grants on a percentage of the cost of educating children in State schools.

So there is a lot to be done.

We have a case, resting on solid foundations. We must know the case ourselves and then set out to convince the general public and politicians of the justice and good sense of our case.

As I said before, we simply cannot expect politicians to provide funds for non-government schools unless we can assure them that the public generally approve the measure.

The Parents and Friends' Federation of Victoria, which is affiliated with the parent body, the Australian Parents' Council, gives you the opportunity to do something, even in a small way.

If you are bothered about how you will fit any more activity in your full programme, perhaps the saying of Herbert Spencer, philosopher, will encourage you: "I am constantly impressed with how infinitesimal is anything that I can do; and I am even more impressed with how important it is that I do it."

The pioneers of one hundred years ago did not find it easy to accept the challenge. They did not allow materialism — the good life — to overcome their spiritual values; and, in conclusion, I would pray that their courage, their selflessness and, above all, implicit faith in God which characterised the founders of our Catholic education system in Australia will inspire us — the lucky generation — to preserve the heritage they handed us.

Portland — A Case History

Mr. COLIN McINTYRE

The subject of Decentralisation is a vast one which could not even be put into precis form within my prescribed time, and it is difficult to decide priorities. So, much of what I will say will be an expression of my own sentiments and opinions and, in many cases, unsubstantiated by factual supporting evidence.

However, Mr. Wild has provided me with guidelines in the form of specific points which he considered most relevant to the occasion, the subject and the overall interest of you people who comprise my first (and probably last) audience.

- Point 1: Is the concept of centres of accelerated development sound?
- Point 2: Does the experience of Portland suggest any improvement?

I shall deal with Point 1 first to clear the record and dispel any illusions you may have concerning the existence of any knowledge based on experience and observation which I may be able to impart on the economic and sociological aspect of accelerated growth as it has affected Portland.

The answer may be blowing in the wind, but neither myself nor anyone else in Portland has it — for the very good reason that accelerated growth simply has not happened.

Portland's pessimists claim the reverse is true, and base their contentions mainly on the decline of trade through the port, plus a few minor and non-provable factors.

Our optimists point to the growing population of the town as proof positive that we are at last making progress and prosperity is just around the corner.

No analysis has been made to discover why this is so; but my close association with a real estate agency and, in the second instance as Commonwealth employment agent for the Town of Portland, suggest that the influx is predominantly made up of retiring farmers and others who do not exactly represent suitable material to precipitate a population explosion.

Our climate, which I claim is the best in the world, is directly responsible for two other factors which contribute to the maintenance and growth of our population. Active ninety-year-olds seem to abound in ever-increasing numbers, whilst at the other end of the spectrum we have a solid nucleus of non-working and much younger types, attracted to the town because of (a) the climate; and (b) because there is little or no job opportunity in Portland and, therefore, their way of life is not subject to the traumatic experience of having the employment agency thrusting jobs before them.

One day I shall write a book entitled "Memoirs of a Commonwealth Employment Agent", which no-one will believe, but which could quite easily become the handbook and bible of the improvident.

Sandwiched between the optimists and the pessimists we have a nucleus of Micawberites, a sanguine breed of persons imbued with the patience of one hundred and forty years of waiting for something to turn up.

From time to time something does turn up. For instance, we have the great Ocean Pier, constructed between the years 1900 and 1902, and extended in 1913-15.

Seventy years ago

A writer (unfortunately unknown) had this to say at the time:

"This fine pier, the first structure of its kind in the whole Commonwealth, belongs not to Portland, but to the whole of the people of the State of Victoria; it exists for the convenience of all ships and shippers.

Portland is the natural gateway of the west and north-west of Victoria, and the south-east division of South Australia. It ought to be the distributing centre for the Mallee, Wimmera and Mt. Gambier districts. To make full use of this fine pier and port, a breakwater is needed. If you, my reader, live anywhere in the Portland hinterland and if you have any influence, bring it to bear and help forward this nationally important undertaking."

For fifty years very little happened. The population stayed static at 4,000 to 4,500; the Great Ocean Pier was a fine thing to have, but did not prove to be the instant growth catalyst Mr. Micawber was sure it would be. By 1960, even his sanguinity was wearing thin when, by the grace of God and the sheer determination of Mr. K. S. Anderson, Portland gained — at a cost of \$30 million to the Victorian taxpayer — one of the finest deep-sea ports to grace the Australian coastline.

The catalyst? No. A little later the establishment of magnificent single-floor wool stores in Portland by all the major wool-broking houses again raised hope . . . The catalyst? No!

In 1969 Portland was selected by the Victorian Government as one of the five centres chosen for the experiment of accelerated industrial growth and economic development, at which time the Victorian Premier, Sir Henry Bolte, had this to say: "The Government has demonstrated its confidence in the potential of Portland by selecting it as one of the centres in Victoria to receive special attention to encourage accelerated industrial, commercial and rural development.

"Portland having a deep-sea, all-weather port, the Government capitalised on this natural resource by expending practically \$20 million in the provision of first class harbour facilities. There is little doubt that further expansion will take place in future years.

"Portland is the natural focal point for the western sector of Victoria, and serves some forty thousand square miles of rich grazing pastoral country, which produces some of the country's finest wool and beef cattle. It is also the centre of an industrial complex including a large export meat freezing works, wool stores, grain terminal and fertiliser works.

"A Development Committee has been established by the Government, and is charged with the responsibility of promoting the area and attracting further industrial, commercial and rural development.

"Any businessman wishing to establish in Portland, can be assured that every assistance will be rendered to him by the committee, the Government promotions officer and the Division of State Development. The foundation for future development has been well laid."

The catalyst? No!

This announcement was almost too much for Micawber, necessitating the use of a strong sedative to prevent him bounding from his wheel-chair. The catalyst? At last? Six years later you would never guess, but the answer is NO.

Let it not be thought that the majority of Portlanders may be classified as optimists, pessimists, or Micawberites. Although a very new boy — five years ago I moved to Portland because I love the place — I am representative of the average Portlander — philosophical, rational, abstemious, together with a small dash of cynicism.

I have deliberately given this thumb-nail sketch of both habitat and inhabitant that you may the better understand and recognise that the problems common to every other rural centre in Victoria take on a totally different identity when applied to Portland, for geographical, historical and economic reasons and, above all, attitude — that is, attitude to the importance and expectation of growth.

To understand this fully, I think it would be necessary to be a third or fourth generation Portlander born. The fight now being waged by rural cities and towns for survival and growth — which really only started five

or six years ago — has been going on in Portland for approximately one hundred and forty years.

The first settlement (1834), the best harbour, the richest hinterland of Victoria and also that of South Australia, as the south-east of the State should logically be serviced through the port of Portland.

By the way, there is something interesting happening at the moment — the leader of the State Opposition, Clyde Holding, and the Minister for Decentralisation, Murray Byrne, are cashing in on it.

Clyde Holding has in mind an Albury-Wodonga type of complex drawing the two centres of Portland and Mt. Gambier together. I do not think a new city or town is envisaged on the Victorian border, but an area of economic co-operation.

I was working on this type of thing years ago without the knowledge of the committee and certain elements of the Public Service in S.A. were also working on it, unbeknown to the Government and in Government time.

New State movement?

Another thing that could come out of the research Clyde Holding is doing now is that we could have a New State movement. We had one about 1880 when desperation point was reached — nothing was happening, the powers-that-be were holding the place back and the movement got going.

It would not be difficult now to stir things up if someone decided to get mischievous. It would be a wonderful publicity-building medium . . . That is part of the background, too, and it all adds up to Portland's thinking on the matter.

If you go back through the old files of the Portland Guardian, you will see that there was a deliberate holding-back and inhibiting of Portland's natural growth by every conceivable means.

Small wonder, then, that approximately four years ago no astonishment was evident at local level when the Federal Government entered into partnership and agreement with an overseas-based cellular container shipping consortium to centralise all of Australia's import-export trade through three major ports — Melbourne, Sydney and Fremantle.

This agreement was renewed, I think, late last year by the present Federal Government; and again there was no great protest from Portland or elsewhere against this action, which was, and is, tantamount to the death sentence for all of the out ports, Portland included.

Geographically, this leaves us at an exclusive disadvantage.

We are the only centre, selected or otherwise, to be situated on a peninsula, with its consequent limited land perimeter a handicap in itself, and further compounded because it comprises mostly Crown land.

Another handicap is distance. We have in Portland a small industry which turns out products exclusive in Australia — a hypodermic needle factory set up by the Chifley Government as an expedient — a very small but very good industry whose products go all over the world.

But their annual telephone bill is \$5,000. If it was based in Melbourne you could probably knock a couple of noughts off that. So, why on earth would an industrialist move 226 miles from Melbourne, his main market place, and try to cope with the immense transport and communications problems when he can gain the same concessions and incentives within a short drive from the centre of the city?

The moral of this is, of course, that "God helps those who help themselves", and there is plenty of circumstantial — and perhaps better than circumstantial — evidence to support the belief that the original concept of selected growth areas has been quietly shelved.

It is appropriate that we digest the lesson well.

I understand that Ballarat and Bendigo at least are now gaining industry at a substantial rate. The La Trobe Valley and Wodonga have moved out of our constellation and can no longer be cited as relevant criteria.

Score not good

The score for Portland is not good; it is certainly lagging far behind some of the unselected centres in the number of new industries gained during the past five years. This in itself is enough to show that the incentives offered to attract and encourage industry to move out of the city apply equally to selected and unselected areas alike, and it is difficult to assess the concrete advantages, if any, of being or continuing to be a selected growth area in name only.

It is conceivable that the prestige which the tag may bring a selected centre, the advantages of having the services of a promotions officer at departmental level, plus the running cost of the Government-sponsored committee, is not without its inhibitions.

Obviously, the receipt of such assistance places the recipient centre under some form of obligation to the Government and the Division of State Development, and it therefore ill becomes such a centre to be as critical or outspoken on occasion as some of the free centres undoubtedly are.

That they do not lose by this is evident by the result. That we are moving more towards the decentralisation policy of New South Wales is, I think, fairly evident also — and I might add, with my own humble personal approval.

Simply to create growth centres as an alternative to Melbourne in order to accommodate the needs of people forced by economics to leave the homes of their choice to find work is surely not the answer, and must surely be the product of city thinking.

A classical example of the "Sydney or the bush" syndrome which irritates me beyond endurance is that being in the country simply means not living in Melbourne. In that there is no conception or understanding of the vast differences there can be in the environmental and ecological factors between Village A and Village B, not more than five miles apart, let alone the broader comparisons, such as equating Portland with Nhill or Bendigo with Mildura.

Each has its own individual characteristic, which endears it as "home" to the permanent resident of that particular place.

The right and ability of the individual to live and die in the place of his own choosing must surely be part of the quality of life referred to by Mr. Hamer on the occasion of his taking office as the Premier of this State.

Whether or not the concept of selected areas for accelerated development and growth is sound — and I take this to mean economically sound in terms of dollars and cents — is academic as far as I am concerned, and as I naturally believe everyone present on this occasion is concerned.

The problems and the associated evils of centralism are now such throughout the cities of the world that surely the time is long past when the feasibility of retaining the evils, or allowing them to develop further, as a necessary but tolerable adjunct to higher dividends, overall profitability, tax saving or whatever should be discarded out of hand.

Pathetically prone as we appear to be to adopt every undesirable facet of American way of life, the worst of their culture, idiom dress, crime and plain idiocies such as "streaking", "chicken", etc., then let the governments of this country bring their emulation up to date, stop the tragedy of high-rise building, and take note of the corrective now being undertaken in America from the sheer necessity of survival.

No dramatic cure for centralism

However, that is probably wishful thinking, and I seriously doubt that any really dramatic cure for the disease of Centralism will ever be applied by State and Federal governments in unison. And under the present system, wherein the trump cards are distributed and held in the hands of both State and Federal governments, a co-ordinated and positive cure is the only alternative to the situation where there is procrastination and passing the buck, until such time as self-strangulation takes care of the position.

I think it is interesting to note that decentralisation, in the sense of

industry moving out of Sydney into country towns and being fairly successful, has been attributed by the Government to the putting up of certain incentives. However, I have had industrialists come from Sydney to Portland looking at the potential there; and the plain reason that these people got out of Sydney was that strangulation, in that sense, had already happened there.

What of Melbourne? From there you get the answer that Melbourne has not yet had the problem by Sydney standards, but we know that the situation is coming rapidly, and when it comes we will, no doubt, get industry in the country; but I doubt if we will get it a great deal before that.

Moreover, confronted with the knowledge that the planned growth figure for Melbourne is 5,000,000 before the end of the century, one can only assume that the powers-that-be are not seriously concerned with the continued urbanisation of the world's already most urbanised country.

Posterity may well thank God for the fact that a cigarette manufacturer has had sufficient vision to record on film the life-style of the last of the Australian bushmen — and women, sitting on E-type Jags as though part of them, eyes slitted against the onslaught of the vastness and emptiness of Marlborough Country!

Having already stated my opposition to the concept of selected areas for accelerated development, I suppose it is almost mandatory to define clearly the type of decentralisation I favour.

According to a close study of Chapter One of the Report of the Committee of Commonwealth-State Officials on Decentralisation, it is obvious my choice is "dispersed decentralisation". Literally, that is what we see happening at the present time, as opposed to the other category that is supposed to be applying — that is, "selective decentralisation".

The money-stick

As perhaps it will have been noted, my preoccupation with the democratic right of the individual tends to blind me to that universal gauge and measure which assesses all things — "the money stick". But as the economics and diseconomics of centralisation and decentralisation have not yet been agreed upon by experts, committees, and boards of inquiry at all levels, it is not for me to enter into this particular field, of which I know little and care less.

In the beginning, towns and villages were established and grew at approximately ten-mile intervals at naturally-created water points. This approximated to a full day's journey for a heavily-loaded horse or bullock-wagon, and an hour's run for the comparatively fast-moving buggies and gigs of the settlers who ultimately filled the spaces between.

Most of the villages survived well into the 1930s, serving the rural population well with local stores, schools and mechanics' institutes. With the motor car providing ever faster transport, with its consequent shortening of distances, the usefulness of the townships waned rapidly. Most of them today are but memories and ghost towns at the best.

The fate of the villages, I believe, would be the fate of most of our existing towns, with the artificial creation of five strategically situated cities within the State of Victoria.

It is obvious that there is no planned exodus from the metropolis to fill the artificially created jobs and Housing Commission homes of the forced growth centre. So, failing the success of a massive immigration programme and/or that of a Government inspired and assisted programme of do-it-yourself, which could perhaps be achieved by the introduction of simple legislation outlawing abortion and contraception, together with such incentives as, say, trebling the maternity allowance and child endowment, it will remain.

Constructive thinking, my friends, but I greatly fear the new inhabitants would be drawn from the last of our existing towns and rural cities.

GOD AND AUTHORITY

REV. FR. F. OWENS (SANDHURST DIOCESAN CHAPLAIN, N.C.R.M.)

Today we are united in prayer for the deceased members of the National Catholic Rural Movement.

Some of their names will spring to mind readily, for they include many illustrious sons and daughters of the Australian Church; notably the Most Rev. Francis Henschke, Bishop of Wagga, who was National President for many years.

Others may not have been so well known to the world at large, though they were good and faithful leaders in their own country parishes. But they all had one thing in common — they responded to the call of the Pope and the Bishops for what was known as Catholic Action; so they banded together in groups, great and small, aiming first at their own sanctification, and then at the spiritual and material benefit of their fellow man, particularly in rural Australia.

Long ago — thirty, thirty-five years ago — they had clearly in their minds the answer to the question: "Where shall the people live?" But first they asked another question: "How shall the people live?" To this they answered, "They shall live in the dignity which Christ wills for a human being." And then they saw that there is dignity in living and working close to the land, in independence and reasonable comfort, which no other way of life can give.

And so to our first question: "Where shall the people live?" they gave an answer which is just as true today as it was when the Rural Movement was founded — that it is the will of God that all who wish it should have the opportunity of living in that dignity which can come only through living close to the land and close to God; and the authority of the State should be exercised to give people that opportunity.

How can the authority of the State so be used? Anyway, what is authority?

Authority is a dirty word in many quarters today; so let us see what it means. It is the power to rule. It is seen in its highest form in GOD — and His authority is inescapable. So He has absolute power to make rules, to enforce obedience, to punish those who disobey.

But why did He make us? Because He wants us to be — because He loves us. Why does He make laws? Because He loves us; because His laws are our guiding line to Heaven, where He wants us to be with Him for ever and ever — because He loves us.

Jesus Christ made very plain the love of the Three Persons for human beings; it was He who said: "I have not called you servants, but I call you friends." He dignified human nature by taking flesh Himself; His aim is that we shall achieve the dignity of being His friends, even His brothers and sisters, here on earth, in preparation for the ultimate dignity of being His companions for ever in Heaven.

All other authority comes from God. The primary form of human society is the family. Here, father and mother, with whom God has shared His creative power, exercise God-given authority over their children. Not only does their authority come from God, but He expects them to exercise it as He uses His — springing from love and with love.

If parents really love their children, then they do for their children whatever is necessary for them to achieve full development, spiritually, mentally, morally, physically. They nurse their children, they cuddle their children, they play and work with their children; they work for them, slave

for them, make sacrifices of time and money for them; they teach them by word and example; if necessary, they scold them or even punish them. But good parents do this for the same reason and with the same end in view; and that is out of love, and to help their children reach the fulness of their dignity as human beings, made in the image of God and destined for the Beatific Vision.

The authority of the Church is patently God-given. "He that hears you, hears me." "Going therefore, teach all nations; teach them to observe whatever I have commanded you." It is abundantly clear that authority in the Church, exercised by Pope, Bishop, Priest, teacher or any other leader, comes from Jesus Christ with love; and is meant by Him to be used with love for the spiritual benefit of those whom He loves; and He loves everybody.

Now let us look at the authority of the State, at higher or lower levels, or of local government. Oftentimes people have no say over what is their government, or who is their king or dictator; but always some authority is essential.

It is natural and inevitable that humans will band together in smaller or larger groups, for their own protection and advancement. In no group can there be order, safety or advancement, unless someone is in charge. In an ideal situation, citizens freely choose their own leaders or their own government in a democratic way. By doing so, they freely surrender certain freedoms, they freely accept certain restraints — because this is necessary for right order. But they give up no more than is necessary; they cannot surrender, and no government may rightly usurp, the basic human freedoms.

In accepting authority handed to it by the people, a government must recognise that it DOES come from the people, and has to be exercised under God. In a sense, the government represents God in a limited sphere. And so its power should be used as God uses His — for the good of the people, out of love for the people.

Restraints and sanctions have to be imposed, because not everyone wants to use his free will wisely — but only those restraints and sanctions which are meant to preserve right order and prevent harm. The whole aim of a government ought to be to enhance the dignity of its subjects, so that men and women may live proudly and happily in the sight of God and men.

For a government, then, authority is not just the power to make laws and enforce them; it means the power and the duty of working for its people, to help their rightful yearnings to be realised, and their manhood to develop and flower.

The founders of the National Catholic Rural Movement firmly believed that, for many Australians, their God-meant dignity and happiness could best be achieved in freedom and independence on the land. They worked hard towards this end; they tried hard to bring Christ to the countryside and the countryside to Christ. They came to realise that, on the material side, only government co-operation and assistance could make their dreams a reality. So they urged, and kept on urging the Commonwealth and States to use their authority as God means it to be used — to encourage families to stay on the land; to assist young men to begin a farming career; to provide amenities and cut costs for farming and rural communities.

Their successors are doing the very same thing at this present day.

With such ideals as these, surely there is no need to pray for their souls? Surely the words of the Gospel are for them — "Whoever comes to me I shall not turn him away . . . Whoever sees the Son and believes in Him shall have eternal life, and I shall raise him up on the last day." This is true, but only God knows the secrets of hearts, and only God knows whether some of these great souls may still have some imperfection to be atoned for before they receive their reward.

And so we offer this Mass, and will continue to pray, that their souls, and the souls of all the faithful departed, may rest in peace.

DECENTRALISATION IN PRACTICE

MR. F. JAMES

The word "Decentralisation" is a confused one, and because it is confused, decentralisation has not been as successful as it should be.

What I mean by that is that you can take, for example, a rural town, which must be there to produce wealth and give people employment; then they talk about putting a factory in that town, and they call it "decentralisation". In my opinion, they are not decentralising at all: they are simply trying to do something which is an obligation they cannot escape.

We have the Geneva Charter, which says we will give our people freedom to live where they choose and work where they choose. So, if you are in a town where there is unemployment you cannot escape the responsibility of using your best efforts — whether you class yourself as an Australian, a good citizen or even a good churchman — to get them their rights.

Again, if you are a Christian, and you see people being forced out of the country into the city, as I was, and if you know some of the traps for people when they are living away from home, then that, too, should drive you on to try to do something for our young people.

That, in my opinion, is not decentralisation at all; it is only the people of a district carrying out their obligation.

As I see it, decentralisation is something which you can take part in or ignore according to your own wishes. It is breaking up those big cities which are killing Australia and making industries inefficient, and spreading efficient industries throughout the country.

If you believe it is better for those factory workers to live like rabbits in the big cities while you live like kings and have all this wonderful country to yourselves, then that is your opinion, and you are entitled to it and should not be criticised; but I think when you get things sorted out you will find it becomes easier when you approach the problems.

I hope that later on I can answer questions on decentralisation and satisfy you, but I always like to get to the subject by giving a specific example of something that is popular at the moment.

Education for industry

The popular thing people talk about today is education, and by that they mean sending people to university and giving them degrees; but to them education does not seem to apply very much as far as people in industry are concerned.

However, I would say as an industrialist, that since I brought that team of people, and their skills, to Shepparton, I have trained and educated more people than the Shepparton Technical School — educated them to the extent that we have given them trades they can use all round the world.

We have trained engineers, fitters, turners, but we have trained principally women to skilfully operate textile machines. When we finish with them, they have complete dignity and a trade they can use anywhere where there is a textile industry; they have been properly educated to work wherever they want to go and live in dignity.

Again, we found after 20 years, when business was still quite good, that when we advertised for people for an evening shift, many who had left us and reared families came back, their skills still with them, to work four or five hours a night four or five nights a week. They were wives of policemen, lawyers, tradesmen and men of other occupations; they had, as I said, retained their skills — so that the education we have given them will stand them in stead for all time.

What you must realise is that if you get industries into your town you give everybody a chance to express themselves fully. I would have hated to be trained as a doctor and have to get up in the middle of the night to attend to some neurotic woman, or as a dentist to peer down a throat smelling of beer, or something like that.

I would sooner be what I am and do what I am doing, and that is creating — starting with a pound of wool you would not pick up if you were to see it lying on the floor, and finishing it into a beautiful garment. As a matter of fact, it was only yesterday that I sent a beautiful cloth to the nuns at Ballarat; they wanted it for their habits and could not get it elsewhere. This gave me more of a thrill than if I was a legal man, looking at some clause in an agreement or defending somebody who was run over.

A specific case

Now, here is a specific case of what educating someone in a country town can do for another country town.

Twenty years ago, a young Italian boy walked into our mill at Shepparton. His people had moved there from Italy and were going on the land. This boy had done a little work in a mill, so we gave him a job just doing a menial thing because he could not speak English. Over the years he studied hard, went right through the mill and rose to quite a good position five years ago.

At that time, a clothing firm in Benalla wanted to get out; they offered it to us and we agreed to buy it. We looked around because there is a great shortage of skilled people able to take over such work. We decided to give this Mario a go — we bought the mill only because he was with us — and he went to Benalla.

Let me tell you what happened in Benalla because we trained one young Italian lad who, if he had not come to us, would most likely be picking fruit or digging post-holes today.

He took on the job because he was dedicated and he made a wonderful success of it — so much so that we made a considerable amount of money. This influences English people, and when I went to England two years ago, I spoke to Thomas Cahills, who are carpet-yarn spinners, and now work with us in England.

I said to them: "We have found the people in Benalla very good. If you are thinking of expanding, expand into Benalla."

You would have read in the papers about twelve months ago that we are investing \$1,300,000 in Benalla; and less than three months ago you would have seen that because we put a carpet-yarn spinning mill there English carpet weavers are coming to Benalla.

Now, as I read in the Albury Border Mail recently, a Japanese textile maker is moving to Benalla; and that town which was dead for years — you only have to look at the statistics — is now right on its toes — just because we gave one lad who was in the country a chance to express himself — and he expressed himself.

Change for the better

It has been difficult to do much in this way until six months or so ago, because decentralisation is something politicians have talked a lot about and very seldom acted on. However, that, in my judgment, has now changed.

In this State we have one of the most dynamic men and one of the greatest enthusiasts I have ever known as far as decentralisation is concerned. He is Mr. Murray Byrne, Minister for State Development and Decentralisation. You usually read in the papers about some mistake he has made or about some little factory which has closed. Don't you believe it! He has set up an organisation and given it a charter so wide that if any country town fails to get industries, it is its own fault.

I repeat that it is its own fault. Mr. Murray Byrne has created all the facilities — finance, etc. — to get any industry off the ground that proves itself to be viable long-range.

Complete authority has been given to help in the initial stage, so the whole picture of decentralisation in Victoria has changed.

The only thing I regret they are not doing is something I believe should be done: Divide the State into areas such as there are in England, which is a great manufacturing country to copy from. For instance, in England if you think of wool you go to Bradford; if you think of cotton you go to Manchester, and if you think of knitting you go to Leicester.

I believe the country regions should create their own capitals. Bendigo, for example, should be a capital with some industries; you should build them and the technical schools up; build up pride in them, so that when people come looking for the particular kind of goods you make, the whole district will be proud of it. This is what I have endeavoured to do in the Goulburn Valley.

The first yarn I bought was from Wangaratta Woollen Mills, an industry started after the last war by enthusiasts who were told it would never succeed; but these district farmers wanted the industry for jobs for their children and made sure they would get it.

When I got an industry in the country I put it at Shepparton. Since then I have put industries into Tatura, Mooroopna, Benalla and today the Goulburn Valley is the largest worsted spinning area in Australia. To this worsted spinning capital have come industries from Richmond, Collingwood, Coburg, and Marrickville and other places in Sydney.

When we first started in Shepparton we had to pay freight to there, because the top-maker's list carried the words "freight to capital cities." As soon as we got as big as some of the mills in the city, I said: "I want my freight free." I was asked why and I said that Shepparton was the capital city — and for the past fifteen years we have not paid freight.

We have overcome all the disadvantages, and you can do the same if you get the area big enough. There is no top-maker in Australia today who can ignore the Goulburn Valley; if they want business, they must give the industries in the area the best treatment.

Questions answered

Mr. James, who began his address by saying "I don't like talking to people. I like talking with them, so I'll just make this speech as short as I possibly can, but I'll be very happy to answer any questions," had plenty of time to answer. Here are four answers, taken at random:

MARTYRS: We have been martyrs so long we are used to it. If you go a long way back to the Bruce-Page era, you will see that they were going to persecute the textile industry. Since then we have had a series of persecutors. The latest is Dr. Cairns, who was a lecturer at the University after he was a policeman, and now is an authority on how to run the country as far as textiles are concerned. We must take these persecutors in our stride and we do that.

If what Dr. Cairns said is right, and he can halt inflation by buying cheap goods from overseas, and the whole of the Australian textile industry has to be destroyed, I shall accept that because I know the textile industry is not as important as inflation, but I know by long experience that other nations have tried this. There is an old saying that textiles will never make a great nation, but you cannot have a great nation without a textile industry.

When England had a great textile industry she was a great country. There are many other nations like that. They learned it the hard way, so we are used to this persecution.

I have no doubt in my own mind, watching the way the balance of payments is running, that though we were martyrs a few months ago, they will be crowning us with roses in six months time, and saying: "Can't you put some people on? Governments don't own factories to give them jobs." They can experiment with their theories, but they run for cover quickly when people get out of work.

MERINO RAM EXPORT: Over the radio in Hong Kong I said that we would not have had a Merino wool industry in Australia if we could not have got rams from the other side of the world. As we have developed, we have a moral obligation to sell these rams to people who need them, and also an obligation to help them with techniques.

I put this argument, which may or may not be logical: Cancer is a scourge in Australia. Let us say that one of the countries to whom we refused to send our rams discovered the cure for cancer. Would we think very highly of them if they told us they had discovered the cure and were going to keep it for themselves? . . . It is a slur that the vote went the way it did. It made us look very small — a greedy, selfish people — in the eyes of many nations.

WOOL SUPPORT: I would like to see a proper authority, such as the Bureau of Agricultural Economics, set what is a fair price for wool, showing a reasonable profit for the average Australian woolgrower, and for the Government to support that price in the wool market.

The Government will not let an office girl, a carpenter, or the like work under a certain wage. Why should it ask 100,000 woolgrowers to work night and day to provide so much of the overseas finance which has built up this country, without giving them support in the market place the same as they support other people?

I am certain that, if the Government put a firm price on wool and said we were going to maintain it we could sell our wool twelve months ahead, and you would know what is going on, because we, as manufacturers, do not want fluctuating prices and you as retailers do not want them either . . . And the way the woolgrower sells wool without any floor price destroys us day after day and week after week.

COUNTRY WORKERS: People in the country work in a more leisurely manner; they are not so interested in driving themselves. I do not think there is any comparison at all between city workers and country workers. In the country the citizens are 100 per cent; their working conditions are better; everything is better, and the main thing they have is pride in their work.

I am no genius because I brought people to Shepparton. What I backed was that the people in the country would do a better job than those in the city, because they would be more interested. When I brought that plant out 25 years ago the capital of my company was \$160,000. Because the people worked intelligently and well, the company's capital — the shareholders' funds — is \$13,000,000. That is not due to me — it is due to the enthusiasm of the people.

This address was prepared for publication some months ago, and appears in print after the death of Mr. Fred James, which occurred on September 4.

Brief as the address is, it reveals something of the philosophy, ideals, initiative and drive of a man who could truly be called "a great Australian." While so many others treated Decentralisation as a handy subject for debate, the late Fred James set about proving that the principle could be put into practice — and succeeded.

The story of his purchase of a spinning mill in England and the shipping of it to Australia, the incorporation of Cleckheaton (Yorkshire) into a public company and its subsequent growth, is so well known that it need not be repeated here. The record stands.

Inevitably, Fred James had his critics — no man so much in the public eye as he was can escape criticism — but, on balance, his contribution to the development of the country and the betterment of its people was completely outstanding.

May his soul rest in peace.

THE CASE FOR DECENTRALISED CITIES

(Dr. COLIN CLARK)

Some of you may not find very pleasant what I have to say this afternoon, but I am trying to face the actual facts of the situation.

First of all, regarding the prospects for farmers and graziers, I do not think that anyone quite expected that prices would be quite as high as they are now.

This was due to a curious conjuncture of affairs and bad weather in several countries, and also — as every wheatgrower must bear in mind — Canada, the United States and Australia have been imposing drastic restrictions on the growing of wheat (in the U.S.A. for the last twenty or thirty years). Once these restrictions are taken off, I think you must expect supplies to come back more or less to what they were.

We can expect moderately good business for farmers and graziers for some years ahead, but the present exceptionally good conditions will not persist, except perhaps in beef, about which I have always been optimistic.

So far as we are concerned, the farmer and the grazier have become so efficient that a limited number of them are able to produce all the food and the textile fibres which can be sold.

Our internal Australian market is limited, but if the country is well governed, we should look forward to an increase in exports.

In Australian industry there has been quite a serious degree of excessive investment, largely brought about by tariff policy. I think that for some years there will not be much outlet for capital investment in Australia, though farming and grazing will not need large amounts of additional capital.

Australia ought to be sending our surplus savings to benefit other countries which are going to need them much more. The only form in which these savings can be sent abroad to help others is through large exports of primary products.

A number of people have been saying that Australia can render a special service in supplying protein foods particularly to Asia and other parts of the world where there are demonstrable and tragic signs of protein malnutrition.

I regret to say we cannot support that story for a rather unexpected reason — a very recent development in medical science.

In any Asian country you get bad examples of sufferers from protein malnutrition — particularly children — but when doctors examine their diets they find that they contain sufficient protein; but because they are not getting enough calories and basic carbohydrates, they cannot assimilate the protein.

This is going to make a big difference to our agricultural policy — the idea of concentrating on protein foods is shown to be mistaken. The help needed by Asian countries is in the production of staple foods such as wheat and rice, because they are not getting enough of these at present.

Considering all this, there may be a moderate increase in the numbers and prosperity of farm and grazing families in Australia, but nothing very great.

I need not remind you that with the price of machinery as high as it is now, you cannot start farming or grazing without very substantial capital and equipment. Catholic farmers and graziers who have large families cannot really expect room for more than one or two of their sons to succeed them — some movement of country people to other employment will have to continue.

This is where our policy comes in. Admittedly, many sons and daughters will have to leave the farms, but there is a possibility of their finding work other than in the over-crowded capital cities or, at any rate, within less distance from their families and their connections than if they have to go to Melbourne or Sydney.

Obstacles to Decentralisation

That, as I said, is where our decentralisation policy comes in; but there is no use pretending there are not very grave obstacles to it.

I was for many years the head of a State department in Queensland and I worked for four successive Premiers. I was trying at that time to get the promotion of industry decentralised to country towns in the State; Brisbane is now far too large and, even at that time, it was substantially too large.

I notice on a table in this hall a very highly-coloured brochure which shows that during the twenty-five years since I left Queensland very little progress has been made in the development of decentralised industry — for various reasons, the politicians are only interested in building up Brisbane or the capital cities in other States.

Some of you may remember that in Victoria in the early 1950s there was a curious and temporary political alliance between the Country Party and the Labor Party. They formed a State Government which made a genuine attempt, which did not last long, to drive industry out of Melbourne.

However, I am sorry to say that the Queensland Labor Government, for which I was working at the time, went to the industrialists and said, "Don't take any notice of the cranks down in Victoria. You come to Brisbane where you will be able to develop in the capital city undisturbed."

Industrialists, barring exceptional characters such as Mr. Frank James, who spoke to you this afternoon, have a natural affinity for life in the capital city. Very often it is the industrialist's wife who is interested in the social life there; if it is not, it is the industrialist himself who is interested in the sporting and other attractions. You have to work hard to make the industrialist even think of getting out of the city and, as for the politician, the case is much harder.

Apart from the industrialist and the politician — both very hard cases — you have the general mass of the electorates.

If and when decentralisation succeeds (I cherish the theological virtue of Hope and I believe it will, though perhaps not in my own lifetime) one of the principal consequences will be that it will bring about a fall in land and house prices in the capital cities and, as we were told this morning, it would be expected to bring about a price rise in the provincial towns, though probably to a less extent.

Now, the average Australian has already bought his house, probably on a mortgage, and his earnest desire is that it should go up in price, not that it should go down. He will go to political meetings and politicians will talk about bringing down the price of land, but the only man who really wants that is the young man who has not yet bought his house.

I am afraid this illustrates one of the deplorable laws of politics: The poorest 25 to 30 per cent have not bought houses, have to pay rent and see no prospect of accumulating enough funds to buy houses; but the politicians say they will vote Labor anyhow, and we'll forget about them.

Then there are the people at the other end of the scale, and the politicians say we'll forget about them — they vote Liberal or Country Party anyway.

What the politicians are concerned about are the 40 or 50 per cent in the middle — the middle income families who have bought their houses, have mortgages, live in the suburbs of the metropolitan cities, want land prices to go up and hate the very thought of decentralisation.

Politicians rely on the votes of the majority (I do not think any Catholic will fall for the false proposition that the majority is always right. Majorities can act unjustly just as minorities can.)

Tremendous educational task

A tremendous educational task will have to be performed, in the first place by priests, teachers and other concerned Catholic laymen in

the capital cities, to show people that decentralisation is what Australia needs — and if the price of land stops rising or comes down, that is a penalty people will have to face for the sake of the country.

On the subject of land prices, there are other factors which might bring them down: for example, when the rates go up the price of land comes down.

Many people will say that the cure is worse than the disease, but that is also true of high interest rates. They often say that high interest rates raise the price of land, but I can assure you the effect is the opposite, as indeed the leaders of the Government and Opposition parties admitted during the last few days.

It is not good news that we are in for a period of high interest rates, but we must face it: it will have the effect of bringing down the price of both urban and rural land.

Why am I hopeful that decentralisation will take place? The capital cities will become increasingly uninhabitable — and I mean that literally. It is true that they have all sorts of defects of which people are conscious: traffic congestion, atmospheric pollution, etc., which they could alleviate provided they would spend a little money — our politicians have a curious obstinacy about spending money on atmospheric pollution and sewage treatment; they would rather spend it on a hundred other things.

But what is really going to make the big cities uninhabitable in twenty years time is crime.

The experience of America makes this all too clear, and we are, as we were reminded this morning, following rapidly in America's footsteps in all the worst things they are doing.

One thing that is clear from all the available information is that, while all over the world man is inclined to sin and crime, these tendencies are accentuated in capital cities. Crime is advancing so very rapidly that unless something very unexpected happens in the next twenty years or less, people will be saying: "I'll do anything to get away from the big cities and start a new home in a smaller town where crime is, at any rate, more likely to be kept under control."

What is the pattern of decentralisation likely to be? We heard this morning how your grandfather drove ten miles or so — as far as it was convenient to go — to the township, and so a network of small townships sprang up. I think they will stay, but they will remain very small. After all, even with his fast car the farmer would not like to go more than ten miles to get his petrol, tobacco and other necessities, so this network of very small shopping centres will stay, though they will not grow.

There will be a more widely spread network of smaller country towns, but on the whole they will be only service centres. They will not attract any significant amount of manufacture — and very often the inhabitants do not want them to be any different from what they are.

What I am concerned about is what I think is the only serious prospect of really substantial decentralisation — very large towns well dispersed around the country.

Chaotic thinking

In the chaotic thinking going on in the present time they are talking of a new large city in Albury-Wodonga, and vaguely of some new towns elsewhere — and there is a lot of atrociously muddled discussion of satellite towns.

That is the very thing we do not want — trying to build new large towns, as Mr. Uren is proposing at Holdsworthy, just outside Sydney. It is the worst mistake possible because inevitably the two cities will grow into one another, and one of the principal effects will be a still further increase in the price of land. Perhaps this is one of the intended effects, but it is not a very creditable one.

We have plenty of room in Australia, and for preference, these substantial towns should be at least one hundred miles apart.

South Australia made quite a courageous decision in deciding to build an entirely new town, but it is far too near Adelaide. Already, along the main road running eastward out of Adelaide, people are buying up property at inflated prices, and planning to start up businesses and industries of all kinds.

I am afraid that what they will get is not a new town, but a wretched ribbon of rather undesirable development — and traffic congestion.

There was criticism this morning of the Victorian Government's policy of choosing growth centres, but in all the circumstances Victoria has chosen the right policy and New South Wales the wrong one. I am told that the Country Party there has more influence in State politics, and just cannot bring themselves to specify growth centres for fear of offending the towns not included . . . Victoria showed considerable courage in specifying a limited number of growth centres.

The Director of Decentralisation in New South Wales had to resign because of the muddle it was getting into. He was receiving industrialists who were saying they wanted a decentralised site, and asking to be put in a growth centre. He had to tell them that the State Government had not committed itself to any growth centre except in Albury and Orange-Bathurst — a rather confused growth centre because the two parts of the city are twenty miles apart. It is difficult to see Orange-Bathurst growing to a proper industrial city.

The record of Queensland has been very much worse; South Australia has made a courageous attempt; West Australia made an ultra-ambitious attempt to develop a large new city a very long way from Perth at Pilbara, but they have not made much headway yet, in spite of the interest Japanese industrialists are taking in a development there.

These new cities must be large because labour does not like working in a one-industry town, however good the employer is. For one thing, different members of the family have very different employment needs, and one-industry towns may be able to accommodate the father, but not the sons and daughters, with employment.

After all, manual workers are no fools. They know that industry in the modern world is unstable, and that, in a year or two, what looks like a prosperous industry may have to close down. The manual worker wants, and is quite entitled to demand, a variety of possible employments for his family.

Just as the manual worker needs this, so the modern industrialist requires not only a great variety of skills in his own works, but also an enormous variety of mechanical and other service industries, on which he can call at short notice to keep his business going — and all the time the diversity of requirements of industrialists is getting greater.

You may say this is true, but how can we measure it, how can we judge the size of the city required? I have been working on this problem for the last thirty years and we are just beginning to see the answers.

The first work I did was on what are called the service industries — retailing, construction, transport, education, medicine and the like. The evidence from many countries brings out quite clearly that if you have a town as large as 150,000, it can provide a complete range of services for its own inhabitants and those of the surrounding country. Incidentally, in a town this size municipal administration is more efficient and less costly than in either smaller or larger towns.

Unfortunately, even a town of 150,000 is not large enough to attract manufacturing industry — neither the employer nor the worker has a sufficient diversity . . . There is some research work going on now in Brisbane and Melbourne, and I can only give you provisional results — we published some of them in a professional journal, *Building Forum*, last January.

I am afraid that to be a successful modern industrial city (note these words: a **successful modern industrial city**) you probably need at least 250,000 and according to some estimates, you may need more than that.

In Europe, but not in Australia, there are plenty of examples of

successful industrial cities with much smaller populations, but there is a very important difference. These are much more compact: men live nearer their work, and the fact that modern Australian cities are scattered over such a wide area has a rather paradoxical consequence of needing a much larger aggregation, in order to make them an economically successful unit.

If you want to come really down to earth and suppose you are in the estate agency business or are trying to judge whether your city is sufficiently attractive to industry and to new population, experience, both in Melbourne and Brisbane, has brought us to this conclusion: In a city which is exerting an attraction to industry and labour, the price of serious residential land will go up to about 50 cents per square foot. If it does not go up to this level, it is a sign that you are not likely to attract population and industry on a substantial scale.

I regard decentralisation as primarily the duty of State governments. What the Federal Government can be doing, should be doing and is not doing is making the telephone service cheaper. Many industrialists who have tried working in country towns have been driven back to the capital cities by the very high telephone charges they have to pay.

Telephone profits as "growth" subsidy

In any town specified as a growth centre the Post Office, which makes a substantial profit on the telephone service — and then loses it on the mail service — should use part of their profit on the telephone service to subsidise such growth services.

What State governments can do, and what Victoria has done, is a payroll tax credit. I was the first to suggest this in 1966, and I was rather surprised when the suggestion was adopted. It has only been done on a small scale.

This is what should be done by State governments: Payroll tax is a State matter, and they should say to employers in Melbourne, "We are not going to hit you at the moment, but we give you notice that your present payroll tax is (say) 3½ per cent, but it is going to go up 1 point each year for twenty years into the future. So make your plans to go to a country town where you will get not only a remission, but an actual rebate, of all payroll tax on all wages and salaries you pay."

I think the States should be able to give large rebates to those who first go to country centres. The rebates should be available to all employers in country centres, not just those who have newly arrived. Likewise, the steadily increasing metropolitan tax should apply to all employers in the capital cities.

One of the interesting points Mr. James made in his address was what economists call "linkages". The existence of a carpet yarn mill making the district attractive to a carpet-weaving firm is one of the interesting things that can happen.

My friend Dr. Neutze, of the Australian National University, made an interesting suggestion for developing industrial towns. He said that industrialists from all round the world should be invited to come and establish branches there. A kind of Dutch auction should be held, and the industrialists should be asked how much subsidy they wanted on their payroll tax to establish themselves there. The new town authority would have to exercise a certain amount of discretion in choosing different industries which had the necessary economic linkages.

I will not go into that further, but I think on the whole it is a very useful suggestion. However, the main action which State governments can and should be taking is a very marked differentiation of payroll tax.

I would make only one further suggestion about payroll tax — I made it when I first published my original suggestion.

The State Parliament originally drew the line for payroll tax rebate fifty miles from Melbourne, and Geelong promptly found itself on the